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THE MAINE SENATE
132nd Legislature

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Testimony in Support of
LD 1807, “An Act to Expand the Sales Tax to Luxury Services and Adjust the Sales Tax on
Rental Cars”
Before the Joint Standing Committee on Taxation
May 8, 2025

Senator Grohoski, Representative Cloutier, and esteemed members of the Joint Standing Committee on Taxation, my name is Mattie Daughtry. I serve as President of the Maine Senate and proudly represent Senate District 23, including Brunswick, Freeport, Harpswell, Pownal, Chebeague Island, and part of Yarmouth.

I’m pleased to join you today in support of LD 1807, and I want to thank Representative Skold for bringing forward this thoughtful legislation and for the opportunity to serve as lead cosponsor.

This bill proposes two smart, targeted updates to Maine’s tax code. First, it would tax a narrow set of luxury services—such as private jet charters and yacht rentals—that are currently untaxed. Second, it would modestly increase the tax rate on short-term automobile rentals, many of which are used by out-of-state visitors.

I’ve spent years working on tax and budget policy, and I know how essential it is to build a system that reflects our evolving economy and supports both long-term residents and the pressures of a strong tourism sector.

Maine’s economy—and the ways people spend their money—has shifted significantly over the past several decades, with consumers increasingly directing their spending toward services rather than goods. Yet our tax code hasn’t kept pace. Luxury services are a clear place to start. These high-cost, discretionary purchases—like private jet charters and yacht rentals—are often accessible only to the most affluent and remain untaxed under current law. Expanding the sales tax to include them brings greater fairness to our system, ensuring that those with the greatest means contribute more equitably to the revenues that fund our schools, infrastructure, and essential services—without affecting the everyday budgets of working families.

The short-term rental car provision similarly reflects a commitment to equity. This is about ensuring that visitors help pay for the infrastructure that makes their trip possible—roads, public safety, and local services—not about adding costs for Maine residents. It’s also a useful complement to broader conversations happening this session about how we share responsibility between year-round residents and our seasonal economy.

At a time when Maine families are feeling the squeeze from rising costs, it is critical that we build a more resilient, fairer tax system. LD 1807 is a modest and measured step in that direction.

Thank you again to Representative Skold for leading on this bill, and thank you to the Committee for your careful consideration. I respectfully urge you to support LD 1807.

President of the Senate, Senate District 23

Brunswick, Freeport, Harpswell, Pownal, Chebeague Island, and part of Yarmouth